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C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 000396

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TAGS: [PREL](#) [EUN](#) [ECON](#) [BO](#) [BK](#) [MW](#)  
SUBJECT: MARCH GAERC - FOCUS ON ECONOMIC CRISIS, BELARUS,  
BOSNIA AND THE MIDDLE EAST

REF: BRUSSELS 371

Classified By: USEU POL M-C Chris Davis for reasons 1.4 (b) and (d).

1. (SBU) Summary: Meeting in Brussels on March 16, EU Foreign Ministers (FMs) focused their efforts on measures to address the economic crisis and the political challenges faced in Belarus and Bosnia. In addition to preparations for the March 19-20 European Council meeting, the General Affairs Council discussed - but could not reach consensus on - plans to provide an additional 5 billion Euros in support of energy projects and other infrastructure investments under the European economic recovery plan. The External Affairs Council devoted its attention to Bosnia, Belarus, and the Middle East. Reaffirming the Council's commitment to strong engagement in Bosnia, Czech FM Schwarzenberg welcomed the appointment of Valentin Inzko as EU Special Representative (EUSR) and future High Representative (HR). Assessing developments in Belarus, ministers decided to extend EU restrictive measures for another 12 months and the suspension of the visa ban on certain Belarusian officials for another 9 months. Ministers stressed the importance of free and fair elections in Montenegro during the March 16 EU-Montenegro troika, Schwarzenberg adding that he hoped Montenegro's EU membership application could be forwarded to the Commission "during the Czech presidency." End Summary.

General Affairs  
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2. (SBU) Chaired by Czech DPM Alexandr Vondra, the General Affairs session focused on the European economic recovery plan and preparations for the March 19-20 European Council meeting. Regarding the recovery plan, Vondra said that the presidency had worked with the Commission to shape a compromise on a 5 billion Euro contribution from the Community budget to the European recovery plan. Vondra said delegations had not yet reached a decision, but were "on the right track." More work was in store, he said, as some Member States "feel the need to look at the package again," adding that the presidency would propose a new compromise.

3. (SBU) Vondra said that he had urged colleagues to "act in a spirit of responsibility." He noted that Member States still had time to reach agreement at the European Council later this week. "If we fail," Vondra said, "the credibility of all will be in question." Characterizing the issue as "a collective exercise," Vondra implied that success "will be the success of the 27 just as their failure would be a collective failure." Asked whether the Nabucco pipeline project was included on the list of projects eligible for EU funding, Vondra said that "a strong group of countries wanted Nabucco to be part of the set of projects," adding that "in this initial phase it was more a question of political support."

¶4. (SBU) Concerning preparations for the European Council, Vondra reported that the draft conclusions "support EU efforts to tackle the economic crisis" and that Member States are "on the right track." He said that discussions on the crisis would focus on three areas:

- the European economic recovery plan and its implementation;
- a mandate for a unified EU position at the G-20 summit;
- employment and the EU employment summit on May 7 in Prague.

#### External Affairs

¶5. (SBU) Chaired by FM Schwarzenberg, the External Affairs Council discussed - and issued formal Conclusions related to - Bosnia, Belarus, Afghanistan, the Middle East, U.S.-EU relations, Sudan, EUFOR Chad/Central African Republic, Sri Lanka, Madagascar, and the UN Durban review conference. The ministers also discussed Bosnia, Belarus and the Middle East.

¶6. (SBU) On Bosnia, Schwarzenberg said it was "wrong to think that substantial progress will be possible without continuing strong international engagement." The Council reiterated its full support for the "European perspective" of Bosnia and called upon local political leaders to engage fully on implementing the reform agenda. The Council appointed Valentin Inzko as EUSR and welcomed his appointment as High Representative. Asked about a purported letter from Italy and Slovenia on visa liberalization for the Western Balkans, Schwarzenberg said that the EU was working on it,

BRUSSELS 00000396 002 OF 003

but conceded that Member States still had "different views on the question."

¶7. (SBU) Concerning developments in Belarus, ministers decided formally to extend the EU restrictive measures for another 12 months. At the same time, ministers decided to prolong the suspension of the visa ban on certain Belarusian officials for another nine months. At the end of the nine-month period, the Council will conduct an in-depth review of the measures, "taking into account the situation and developments in Belarus." Schwarzenberg said that, provided there are further positive developments, the EU "could be ready to consider the possibility of lifting the restrictive measures." At any time, Schwarzenberg said, "the Council may decide to reapply the travel restrictions, if necessary, in light of the actions of Belarusian authorities in the sphere of democracy and human rights." He said that the need to prolong the sanctions while at the same time suspending the travel ban "reflect a mixed situation in Belarus." Schwarzenberg noted that recent cases of human rights violations remain a source of concern and stressed that the EU attached great importance to "all the principles and commitments made by Belarus within the framework of the OSCE."

¶8. (C/NF) Turning to the Middle East, Schwarzenberg reported that ministers had taken stock of the situation in Gaza, inter-Palestinian talks, and the political situation in Israel. The presidency, HR Solana, and Commissioner Ferrero-Waldner briefed ministers on their recent contacts with partners in the region including the EU troika dinner on March 15 attended by the Egyptian and Palestinian Authority foreign ministers and Jordanian ambassador (reftel). Asked whether the possible appointment of Avigdor Lieberman as new Israeli foreign minister would be a threat to MEPP, Schwarzenberg replied that "he did not know who will be FM in Israel, but that he would have to deal with the FM whoever that person is." After adding that the EU would have to recognize a new Israeli government "on its fruits," Ferrero-Waldner interjected by saying that it was "all a matter of principles" and that "we have said that we want a two-state solution, so we want a FM who accepts a two-state

solution and peace negotiations." Concerning the issue of how the EU would respond should there be a transitional Palestinian government that included Hamas participation/representation, the UK PSC ambassador later shared with Charge that while "it had been in the air," ministers did not discuss the matter. The UK PSC ambassador reported that ministers did not broach the topic since there were so many widely differing views on the issue that achieving a consensus view would have been highly unlikely.

#### External Affairs - Other Issues

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¶9. (SBU) With regard to U.S.-EU relations, the presidency briefed ministers on preparations for the informal meeting of EU heads of state and/or government with President Obama to be held in Prague on April 5. On Afghanistan, the Council adopted conclusions underlining that the challenges facing the country and the broader region required renewed international engagement and that the EU would play a major role in this. Discussing the UN's Durban Review Conference on racism and intolerance, to take place in Geneva in April, Schwarzenberg commented that "the main voices were very skeptical about the directions of papers prepared" for the conference. He said the EU would "probably" send its own suggestions for the draft, adding, "If the conference will be in line with that, we will stay, otherwise there is a strong call to withdraw."

¶10. (SBU) Turning to Sudan, the Council reiterated the EU's call upon the Sudanese government to reconsider its decision to expel NGOs, "for the sake of its own people." Responding to questions as to whether the military in Madagascar had attacked the presidential palace, Schwarzenberg said that the EU "of course rejects each act of violence," suggesting that if a new head of state were installed by force, "that's not somebody we can consider - we will do the same thing as was the case in Mauritania." Solana added that the EU is monitoring the situation closely and would "take appropriate decisions." Regarding the EUFOR mission in Chad and the Central African Republic, the Council adopted conclusions welcoming the fulfillment of the operation's mandate, underlining the "exemplary cooperation" between the EU and the UN from the launching of the mission to its successful handover. Underlining the seriousness of the humanitarian

BRUSSELS 00000396 003 OF 003

situation in Sri Lanka, Ferrero-Waldner said that the EU would send a diplomatic mission to the country "soon" to push the EU cease-fire appeal. (Note - Thousands of supporters of a Tamil state protested in Brussels March 16 against "genocide" by the Sri Lankan government and urged the EU to send observers. End note.)

#### Troika With Montenegro

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¶11. (C) An EU-Montenegro troika was held on the evening of March 16. Ministers stressed the importance of free and fair elections in Montenegro during the March 16 EU-Montenegro troika, Schwarzenberg adding that he hoped Montenegro's EU membership application could be forwarded to the Commission "during the Czech presidency." Schwarzenberg said the Western Balkans are "of utmost importance for the EU in general and for the Czech Presidency in particular," and the EU wanted to achieve "integration and stability" there. Upcoming Swedish FM and EU presidency chair Carl Bildt stressed that "no one (among EU countries) was against the principle of moving Montenegro's application forward" and suggested that a "technical timing issue" was to blame for the delay.

MURRAY

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